



**FINANCE AND ADMINISTRATION CABINET  
DEPARTMENT FOR FACILITIES AND SUPPORT SERVICES**

**Matthew G. Bevin**  
Governor

**Robert M. Burnside**  
Commissioner


**Division of Real Properties**  
**Bush Building, 3<sup>rd</sup> Floor**  
**403 Wapping Street**  
**Frankfort, Kentucky 40601**  
**(502) 564-2205**  
**Fax: (502) 564-8108**

**William M. Landrum III**  
Secretary

**Scott Aubrey**  
Director

**MEMORANDUM**

**TO:** Shawn Bowen, Committee Staff Administrator  
Capital Projects and Bond Oversight Committee

**FROM:** Brien S. Hoover, Leasing Manager   
Division of Real Properties

**DATE:** April 27, 2017

**SUBJECT:** PR-3657, Franklin County  
Department for Local Government  
Annual Rental Exceeding \$100,000.00

As outlined, attached please find notification of a lease agreement renewal being processed by our Division's Leasing Branch.

If you have any questions or require additional information concerning this matter, please advise.

BSH/bh

**CC:** Capital Construction Log  
OSBD  
PR-3657 File  
BSH

Attachment

## REPORT TO CAPITAL PROJECTS AND BOND OVERSIGHT COMMITTEE

### LEASE RENEWAL WITH ANNUAL RENTAL EXCEEDING \$100,000.00

Lease No.: <b>PR-3657</b>		County: <b>Franklin</b>	
Using Agency: <b>Department for Local Government</b>			
LESSOR (identify all parties having 5% or more ownership): Attached extra sheet if necessary		<b>Capital Complex East LLC</b>	
Property Location: <b>1024 Capital Center Drive, Frankfort, KY</b>			
Check One: <input type="checkbox"/> New Lease <input checked="" type="checkbox"/> Renewal <input type="checkbox"/> Modification			
Type Space: <b>Office</b>		Cost Per Square Foot: <b>\$8.49</b>	
Annual Rental Cost: <b>\$196,951.04</b>		Average Cost Per Square Foot of Leased-In Space in County: <b>\$8.33</b>	
Utilities Included: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
Cancellation Clause:	<input checked="" type="checkbox"/> Yes If yes, explain terms: <b>30 Days</b>		<input type="checkbox"/> No If no, explain why not:
Effective Date: <b>July 1, 2017</b>		Expiration Date: <b>June 30, 2022</b>	
Justification for Lease: <b>Lease renewal</b>			
Has the Finance & Administration Cabinet complied with statutory requirements: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If no, explain:			
Explain why the Finance & Administration Cabinet chose this lessor: <b>Lease renewal</b>			

**COMMONWEALTH OF KENTUCKY LEASE RENEWAL AGREEMENT**

1. Subject to the limitations imposed by law and the terms set forth in the original Lease Agreement, and as designated below by signature of the parties (or their representatives), the following described Lease Agreement by and between **GOV OFFICE FOR LOCAL DEVELOPMENT** and **CAPITAL COMPLEX EAST LLC P O BOX 191 FRANKFORT, KY 40602**, by mutual agreement, is hereby renewed at the same terms and conditions for further periods of twelve (12) months not to extend beyond June 30 (please check and initial your choice on the appropriate line):

<input type="checkbox"/>	2018	<input type="checkbox"/>	2019	<input type="checkbox"/>	2020	<input type="checkbox"/>	2021
<input checked="" type="checkbox"/>	2022	<input type="checkbox"/>	2023	<input type="checkbox"/>	2024	<input type="checkbox"/>	2025

The annual base rental rate shall remain **\$8.49** per square foot for **23,198** rentable square feet.

<b>LEASE NUMBER:</b> <b>PR03657</b>	<b>LOCATION:</b> <b>1024 CAPITOL CENTER DR, STE 340</b> <b>FRANKFORT, KY</b>
<b>COUNTY:</b> <b>FRANKLIN</b>	
<b>ADDENDUM ATTACHED: NO</b> (Lessor must sign Addendum if attached)	

- The Lessor agrees to notify the Commonwealth of all persons owning, or upon any change or transfer of ownership involving five percent (5%) or more in stock, in partnership, in business trust, or in corporation, including silent or limited partners. Non-compliance may result in termination of the Lease Agreement.
- The Lessor acknowledges that his property may be inspected by the Division of Building Codes Enforcement and/or the State Fire Marshal and must comply with all applicable standards (life safety and ADA accessibility).
- The contractor, as defined in KRS 45A.030 (9) agrees that the contracting agency, the Finance and Administration Cabinet, the Auditor of Public Accounts, and the Legislative Research Commission, or their duly authorized representatives, shall have access to any books, documents, papers, records, or other evidence, which are directly pertinent to this contract for the purpose of financial audit or program review. Records and other prequalification information confidentially disclosed as part of the bid process shall not be deemed as directly pertinent to the contract and shall be exempt from disclosure as provided in KRS 61.878(1)(c). The contractor also recognizes that any books, documents, papers, records, or other evidence, received during a financial audit or program review shall be subject to the Kentucky Open Records Act, KRS 61.870 to 61.884. In the event of a dispute between the contractor and the contracting agency, Attorney General, or the Auditor of Public Accounts over documents that are eligible for production and review, the Finance and Administration Cabinet shall review the dispute and issue a determination, in accordance with Secretary's Order 11-004.
- The Lessor certifies by his signature hereinafter affixed that he ("he" is construed to mean "they" if more than one person is involved; and, if a firm, partnership, corporation, business trust or other organization is involved, then "he" is construed to mean any person with an interest therein) is legally entitled to enter into contracts with the Commonwealth of Kentucky and that by holding and performing this contract will not be violating either any conflict of interest statute (KRS 45A.330 - 45A.340 or 45A.990) of the Executive Branch Code of Ethics, KRS Chapter 11A, or any other applicable statute or principle by the performance of this Lease, or will he realize any unlawful benefit or gain directly or indirectly from it. The Lessor further certifies that he has not knowingly violated any provision of the campaign finance law of the Commonwealth, and that by entering into this Lease Modification Agreement he will not be in violation of the campaign finance laws of the Commonwealth.

*Capital Complex East LLC*  
*Mary Ann Shultz Manager*  
LESSOR

**Annual Amount \$ 196,951.04**

502-227-7518  
LESSOR'S CURRENT PHONE NUMBER

NEW ADDRESS Only if the above Address is incorrect

Commonwealth of Kentucky - LEASING AGENCY REPRESENTATIVE

ATTORNEY, FINANCE & ADMINISTRATION CABINET

SECRETARY, FINANCE & ADMINISTRATION CABINET

All correspondence and inquiries regarding this Lease Modification Agreement are to be directed to the Division of Real Properties, Suite 300, 403 Wapping Street, Frankfort, Kentucky 40601-2607, phone 502/564-2319. BSH/VP